

A GAME PLAN FOR THE GAME CHANGERS IN ORTHODONTICS

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Introduction

Orthodontics has been an extremely stable and lucrative specialty since its inception. Revenues continued to grow until approximately 2008 and were stable until approximately 2014. However lately we have noticed a significant increase in the number of phone calls and emails from orthodontic practices that are concerned about their current level of production. These calls have a similar theme that matches the trends seen in current research data. These trends will determine the future of many orthodontic practices. I like to call them orthodontic “Game Changers.”

In order to compete, practices must face these Game Changers head on and move beyond traditional marketing strategies that are focused mostly on referring doctors and patients. Only then will they be able to maximize and maintain practice success.

A New Day in Orthodontics: Six Game Changers

While the orthodontic specialty still has significant production and revenue potential, there are challenges emerging that will reshape the future of many practices. It's important for orthodontists to be aware of these Game Changers and keep them in perspective. Yes, they represent significant challenges, but they also represent significant opportunity. I advise keeping these six Game Changers on your radar:

Game Changer #1: The emergence of aligners within general dentistry.

While aligners originated as an orthodontic practice-only service, they are now widely accepted through general practices. And while the number of cases per general practice is far below that of the average orthodontic practice, it's growing every year. In the latest Dental Economics/Levin Group annual practice survey—published annually to reflect the current state and changes in the profession—we noted a 26% increase in the number of aligner cases being provided by general practices in the previous 12 months.

Of course, the argument that orthodontists are far better qualified to perform and manage aligner orthodontic cases is valid. However, other specialists such as periodontists had a similar argument when general dentists began to perform more of their specialty services and it did not deter the continuing growth by general practices in that area.

Game Changer #2: The emergence of direct-to-consumer aligner companies.

Direct-to-consumer companies allow consumers to bypass live interaction with an orthodontist and have aligners sent directly to their home. These companies are significantly less expensive and have powerful national marketing and advertising campaigns. Unless these companies become regulated by legislatures and barred from providing services using a direct-to-consumer model, they will gradually begin to erode some of the patient base of orthodontic practices.

Game Changer #3: The emergence of aligner stores.

Two of the major clear aligner companies are opening retail locations. In the model currently being tested, patients enter the brick-and-mortar stores for their exams and scans and then either are referred to a preselected orthodontic practice or can order the aligner trays right at the store to be shipped directly to their home. If this model is successful, we will see more stores like these opening in shopping centers and malls around the country.

Game Changer #4: Dental Support Organizations (DSOs).

Most DSOs originated as general practice organizations, and many have added orthodontics to their service offerings. Some of these DSOs now have hundreds of office locations and will continue to add orthodontic services with orthodontists rotating throughout their offices. In addition, the largest DSOs are now ordering scanners that are primarily geared toward aligner dentistry.



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Game Changer #5: Too many orthodontists relative to the consumer demand.

Orthodontists are retiring approximately 10 years later than in the past and an increasing number of orthodontic practices are popping up. This increase in competition has some offices lowering fees. We now see orthodontic clients who have competitors that tell patients that they will beat the fee of any other orthodontist. This may not be a widespread strategy but as competition increases so will competitive pricing.

Game Changer #6: Decreased marketing to referring doctors.

Orthodontists feel that courting referring doctors is either not beneficial or that they can build their practices using other approaches. However we have found that many of the practices that have backed away from referring doctors have now lost a portion of referrals, and a significant portion of their total production. There are practices that have done very well marketing primarily to their community and patient base, but more practices are seeing their referrals decrease as a direct result of decreased marketing to their referring doctors.

Future success will not only require a recognition and understanding of these Game Changers but a game plan to address the new challenges of orthodontic dentistry that will define its future.

The Game Plan for Your Orthodontic Future: A broadscale referral marketing program

Now that you know the challenges, competition, and trends that are changing the game in orthodontics, you need a game plan. And while a national advertising campaign suggesting that orthodontists provide better quality orthodontics than general dentists or direct-to-consumer companies may seem like a satisfyingly good idea, it won't help.

In order to help address the Game Changers affecting orthodontics, we have performed extensive research on marketing effectiveness. There are a wide variety of approaches taken by orthodontic practices, but in general, our findings were that marketing that only focused on one or two types of referrals, such as patient referrals or community events, had limited results. While there will always be exceptions, we've generally found that these "single-channel" efforts left orthodontic practice production flat or in decline. Because the level of competition in orthodontic practices will continue to increase heavily due to the six Game Changers, we do not see any indicators that this trend will reverse.

So what's the solution? We've found that today's orthodontic practices require what we refer to as "broadscale" marketing which means targeting numerous areas, groups, and channels in order to create a strong brand, attract referral sources, and acquire referrals—especially those that are qualified to accept orthodontic treatment.

The Five Focus Areas of an Orthodontic Marketing Program

Traditionally, most practices stay focused in only two areas of marketing—referring doctor and patient referrals. For many years this yielded excellent results and practices were exceeding \$1 million, \$2 million, and even \$3 million in production. Today, we recommend the following five key focus areas for orthodontic marketing programs, with each area receiving equal emphasis, strategy, and investment:



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1. Patient marketing

We start by building a brand for the practice and creating a name for the patient marketing program in order to build interest, excitement, and credibility amongst your patients and in the wider surrounding market. The children in the practice (both in observation and in active treatment) will be identified as members of your program and enjoy rewards, prizes and other exciting opportunities. If you are currently employing this strategy that's great. But in today's orthodontic environment current strategies benefit greatly from the "Three R's" – Refresh, Repackage, Rebrand. There's an entire theory in marketing science about taking excellent strategies, even if they have been around for a while, and repackaging them in a new way. This is why we often see the words "new," "newly added," or "second generation." This "Three R's" marketing tactic has been highly successful for many companies, resulting in outstanding increases in revenue. Branding and repackaging are critical to the patient marketing focus area of the five-part program.

2. Parents

Most orthodontic practices are hyper focused on patient marketing and fun. However, parents actually tend to be the stronger referral sources for orthodontic practices. In a recent study by Levin Group we found that over 70% of patient referrals originate from parents and not children. While children can play a role in promoting the practice brand through items such as practice t-shirts, parent referrals are much more credible and strong.

We have created a parent ambassador program that has been highly effective in motivating parents to refer. Focused mostly on mothers—who bring children to orthodontic appointments 80% of the time—the program offers rewards, gifts and prizes for referrals, educational updates, and social media outreach. In addition, parents are made to feel as much a part of the practice as their children. Remember, it's the parents who are paying your fee. They need to "feel the love" too.

3. Referring doctors

It's a critical mistake for orthodontic practices to ignore referring doctors. Based on experience, we've developed an internal saying: "If you're not paying attention to your referring doctors, someone else will." While marketing to referring doctors does require some level of networking time and effort, it can be made more efficient through group oriented activities, multiple outreach to doctors, practices and staff at different levels throughout the year, and tailoring the program to the needs, desires, and wants of referring doctors. We know numerous practices that have referring doctors who send them \$100,000, \$200,000 or \$300,000 a year or more in orthodontic revenue. The strong endorsement of referring doctors also goes a long way in closing cases and reducing shoppers.

One reason many orthodontists back off from referring doctor marketing is that their referral base ages along with them and has fewer children to refer. While this may be true, referring doctors can still continue to play a valuable role for most orthodontic practices.

4. Social media

Social media and online presence is a constantly changing marketing modality and can literally shift within weeks depending on what leading companies, such as Google, decide to do to change the model. You can look to experts but that can prove difficult. There are numerous companies that claim to have all the answers to online marketing but often they do not.

What is clear is that social media must be customized to the needs and wants of the recipient. Today, people want relevant information delivered in short bites with interesting pictures and visuals. It doesn't matter if you post once a day or 10 times, the impact that you have will be determined more by the relevance of your information than by how many times you throw things up online.

It's also important for the practice to promote their social media/online campaign. Encourage parents and children to engage with you online. Use Facebook, Instagram, and Twitter to announce contests, post updates, or provide dental information.

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5. Community

Community marketing includes traditional venues and activities such as school visits, sports teams, annual events, amusement parks, and health fairs. It also includes non-traditional locales and events such as the newest teenage fashion store, winning a four-day trip to a fun family resort, community service, charitable activities, and other new community marketing concepts. Unfortunately, this can be a black hole where you can spend enormous sums of money that may or may not justify the return on investment. In order to be effective, community marketing must focus on driving direct referrals and supporting the other four focus areas.

Summary

Like most businesses, orthodontics will continue to become increasingly competitive. Unfortunately, traditional approaches to doctor marketing and patient marketing will no longer be broad enough to support and maintain orthodontic practice success. We've identified six Game Changers that have shifted how people view orthodontics and the different options that they may take. The good news is that orthodontic practices can target their marketing effectively in a broadscale effort that includes the five key areas we've outlined.

We have a philosophy which I often explain at orthodontics seminars: An orthodontic practice does not need 320 million referrals (the population of United States). It just needs the 300, 400, 500, or 600 available patients a year coming to the practice from their local area. Reaching your local market must occur in five key focus areas in order to be effective now and in the future. Orthodontic practices that compete effectively will continue to grow and become market leaders in their area.

Dr. Roger P. Levin

Dr. Roger P. Levin is a third-generation general dentist and the Founder and CEO of Levin Group, Inc., the largest orthodontic practice consulting firm in North America. A keynote speaker for major dental conferences, Dr. Levin presents more than 100 seminars per year. He has authored 68 books and more than 4,000 articles. In 2014, he received the Dental Excellence Award for Best Practice Management Consultant from *DrBicuspid.com*. For the past 15 years, he has been named one of the "Leaders in Dental Consulting" by *Dentistry Today* magazine.

